

**GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:2001

ANSWERED ON:14.03.2017

Remunerative Prices for Onion

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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether onion prices have crashed this year due to a glut in the market since December and if so, the details thereof;
- (b) whether glut in the market has adversely affected onion farmers of Nashik, if so, the details thereof;
- (c) whether onion farmers from Nashik have demanded for better price for their crop from the Union Government and if so, the details thereof;
- (d) whether the Government has taken any remedial measures to assist the onion farmers to get them fair price for their produce and if so, the details thereof; and
- (e) the other steps taken by the Government to boost the demand of onions in the market and hike the minimum price of procurement of onions to mitigate sufferings of the onion farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) & (b): Price of onion differs from place to place and depends on various factors such as seasonality of production, quality of produce, mismatch in demand and supply etc. Arrival of produce in very high volumes during the peak harvesting season sometime depresses wholesale prices. As per First Advance Estimate for 2016-17, production of onion is estimated at 19.71 million tonnes compared with 20.93 million tonnes in 2015-16. Prices of onion in Nashik centre ranged between Rs. 400-600 per quintal for the period July, 2016- February, 2017.

(c) to (e): Representations are received from time to time from various farmers' organisations requesting for increase in support price of various agricultural commodities.

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Government announces Minimum Support Price (MSP) for those agricultural commodities which are widely grown, have large area under cultivation, are items of mass consumption with fairly long shelf life and are necessary for maintaining food security. For agricultural and horticultural commodities which are perishable in nature and are not covered under the Price Support Scheme, Market Intervention Scheme (MIS) is implemented to protect the growers of these commodities from making distress sale in the event of bumper crop during the peak arrival period when the prices tend to fall below economic levels and cost of production. It is implemented on the specific request of the concerned State/UT Government, which has to bear 50% of the loss (25% in case of North-Eastern States), if any, incurred on its implementation.

Recently, as a precautionary measure, Government has requested the State Government of Maharashtra to come forward with their proposal for MIS, in case the price of onion is ruling below economic levels in the State. However, no proposal has been received from the State Government till date.

Government has also taken several other measures to ensure remunerative prices to farmers and stabilize its price in the market which, inter-alia, include Electronic National Agriculture Market (e-NAM), mobilisation of farmers into Farmer Producer Organisations for aggregation and economies of scale, assistance for development of post harvest management and marketing infrastructure, etc.
